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## UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

SIRI DIAZ, CAROLYN SIEGEL, TALIA BUMB, BLERTA VIKKI, DANIELLE OWIMRIN, on behalf of themselves and all others similarly situated,

Case No. 07 Civ. 8718 (RMB)(THK)

Plaintiffs,

-against-

SCORES HOLDING COMPANY, INC.; GO WEST ENTERTAINMENT, INC. a/k/a SCORES WEST SIDE; and SCORES ENTERTAINMENT, INC., a/k/a SCORES EAST SIDE,

Defendants. :

DECLARATION OF CURTIS SMITH IN SUPPORT
OF DEFENDANTS' CROSS-MOTION TO DISMISS OR
ALTERNATIVELY FOR SUMMARY JUDGMENT AND IN OPPOSITION
TO PLAINTIFFS' MOTION FOR CONDITIONAL CERTIFICATION AND
COURT-AUTHORIZED NOTICE PURSUANT TO SECTION 216(b) OF THE FLSA

CURTIS SMITH hereby declares the following under penalty of perjury pursuant to 28 U.S.C. § 1746:

- 1. I am the Chief Financial Officer and Acting Chief Executive Officer of Scores Holding Company Inc. (hereinafter "Scores Holding"). The statements made in this declaration are based upon my own personal knowledge and my review of corporate books and records.
- 2. Scores Holding is a publicly-traded Utah corporation that owns the "Scores" trademarks and related intellectual property, including the trademarks for Diamond Dollars, which function as a system of payment pursuant to the rules of a particular club.

- 3. Attached hereto as Exhibit A is a true and correct copy of the Master License Agreement that Scores Holding entered into with Entertainment Management Services, Inc. (hereinafter "EMS").
  - 4. EMS is a New York corporation that is not publicly traded.
- 5. Attached hereto as Exhibit B is a true and correct copy of the Sublicense Agreement that Entertainment Management Services, Inc. entered into with Go West Entertainment, Inc.
- 6. Go West Entertainment, Inc. (hereinafter "Go West") is the owner and operator of an adult-entertainment night club and restaurant located at 538 West 28<sup>th</sup> Street in Manhattan, which has, since on or about March 1, 2004, conducted business under the "Scores" name and is known to the public as "Scores West" or "Scores West Side."
- 7. Scores Entertainment, Inc. (hereinafter "SEI") also had a license to use the "Scores" trademarks and operated a nightclub on the east side of Manhattan at 333 East 60<sup>th</sup> Street under the "Scores" name, but that license and operation ended on September 30, 2003 when SEI was required to turn in its liquor license to the New York State Liquor Authority. SEI has not operated any "Scores" club since September 30, 2003.
- 8. Pursuant to the Master License Agreement between Scores Holding and EMS and the Sublicense Agreement, Go West pays a royalty based on a percent of its gross revenue for the privilege of using the "Scores" name at its night club and restaurant and on the sale of commercial merchandise such as tee-shirts, sweatshirts, sweat pants, jackets, baseball hats, key rings, and other similar merchandise.
- 9. The license agreements do not authorize or otherwise allow Scores Holding to exercise any control over the terms or conditions for club-level employees or independent

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contractors. Nor do the license agreements authorize or allow Scores Holding to have any say in the payroll practices used at the club level. The only provision of the license agreements relating to the operations of a particular club concerns the marketing, advertising and promotional activities involving the use of the Scores trademarks - and this approval requirement is mandated solely to preserve the value, goodwill and reputation of the Scores trademarks.

Pursuant to the license agreements, Go West and other licensees are permitted to 10. use the Diamond Dollars trademarks. However, the license agreements do not require any specific financial arrangement concerning the use of Diamond Dollars. It is up to the individual club to determine its own rules, practices, and financial incentives for the Diamond Dollars used in that particular club for customers, employees, and independent contractors.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 1, 2008

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